

FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE NEW YORK	OFFICE OF ORIGIN NEW YORK	DATE 5/25/78	INVESTIGATIVE PERIOD 2/13/78 - 5/10/78
TITLE OF CASE 		REPORT MADE BY 	TYPED BY get b6 b7C
		CHARACTER OF CASE BOMB THREATS	

REFERENCEWrep of SA dated 2/17/78.

- P -

ADMINISTRATIVE

Investigation predates previous report in order to include additional investigation.

LEADSWASHINGTON FIELD

ACCOMPLISHMENTS CLAIMED						☐ NONE	ACQUIT-TALS	CASE HAS BEEN: PENDING OVER ONE YEAR ☐ YES ☐ NO PENDING PROSECUTION OVER SIX MONTHS ☐ YES ☐ NO
CONVIC.	AUTO.	FUG.	FINES	SAVINGS	RECOVERIES			

APPROVED	SPECIAL AGENT IN CHARGE	DO NOT WRITE IN SPACES BELOW	
COPIES MADE: 2 - Bureau (174-3711) (1 - 47-56689) 1 - Los Angeles (47-12230) 1 - San Francisco (174-1735) (INFO) 2 - Washington Field (47-10713) (1 - USA, Attor:) 1 - USA, SDNY (Attor:) 2 - New York (174-1884) (1 - 47-11947)		59 47-11947-	
Dissemination Record of Attached Report		Notations	
Agency		SAC II MAY 1978	
Request Recd.		I-NEW YORK	
Date Fwd.		ALL INFORMATION CONTAINED	
How Fwd.		HEREIN IS UNCLASSIFIED	
By		DATE 1/7/85 BY sp2 Bpl/h	

FEDERAL BUREAU OF INVESTIGATION

1Date of transcription 3/14/78

A confidential source who has furnished reliable information in the past was interviewed in the presence of her husband and [redacted], Special Agent, Intelligence Bureau, Internal Revenue Service, Chicago, Illinois.

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Source advised [redacted] the Church of Scientology (COS) during [redacted] Source advised that she spent [redacted] and [redacted]

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Source advised that while she was in the COS, she was aware of the problems the COS was having with [redacted] and that [redacted] was a major concern of the COS because of a [redacted] Source advised that it was her understanding that [redacted] was declared by the COS to be a "suppressive person". Source stated this meant that [redacted]

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Source advised that [redacted] [redacted] were not out of the question when a person was declared to be "suppressive".

Source advised that she is not able to furnish specific information regarding who carried out the plan to [redacted] Source stated that such a plan would have had to have clearance from COS officials in [redacted] Source stated that without question [redacted] had to, at least, give their approval of such a plan. Source stated that [redacted] was [redacted] United States (US), during that period and [redacted] was the [redacted]

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Source advised that a plan of such magnitude would have to be cleared by [redacted] Source stated that by US Guardian Office policy, [redacted] all local Guardian Offices' plans to harass or discredit opponents of the COS.

Investigation on 3/2/78 at Chicago, Illinois File # NY 174-1804

SAS
by and [redacted]

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Date dictated 3/8/78

NY 174-1804

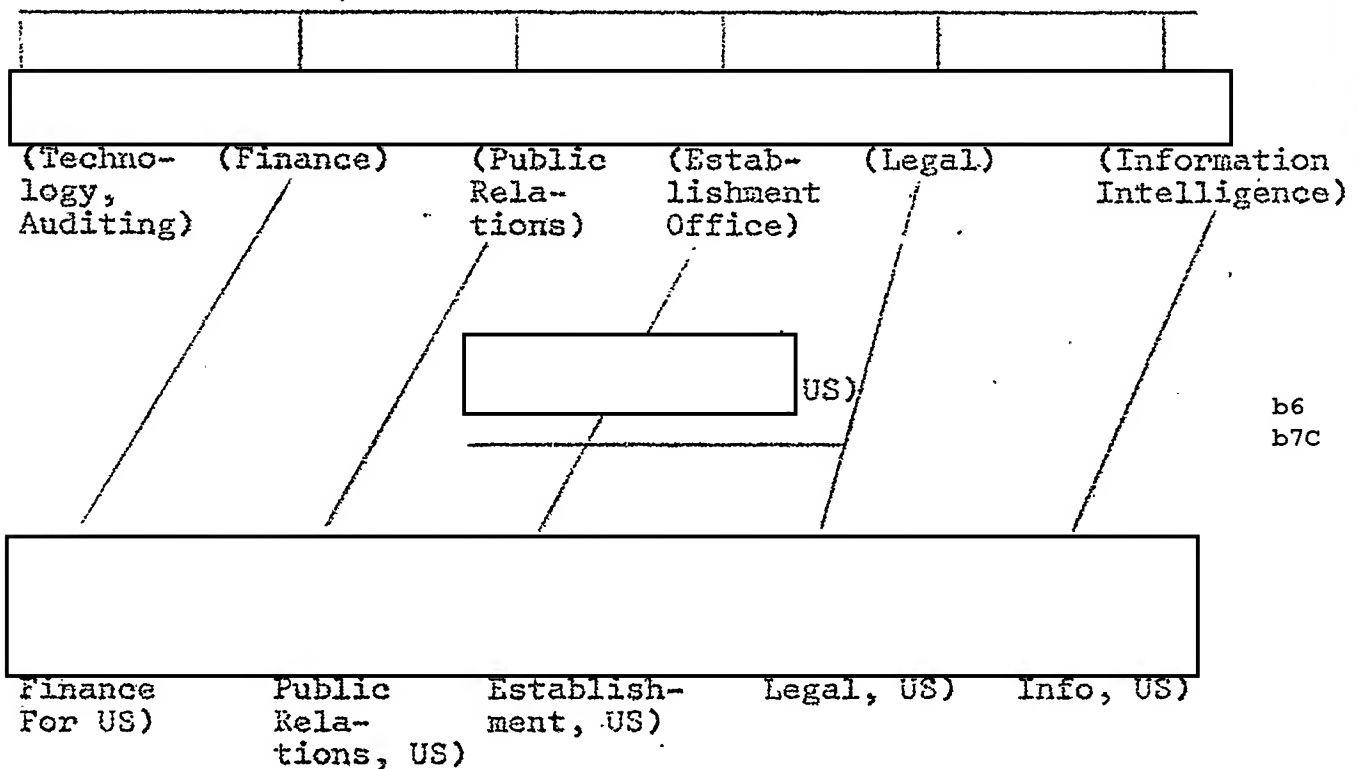
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A confidential source provided the following chart showing the officials in the COS during the period 1972 to 1973:

MARY SUE HUBBARD (Commodore Staff Guardian)

[Redacted]

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(Mount Clipping in Space Below)

See ATTACHED

(Indicate page, name of newspaper, city and state.)

WASHINGTON
 POST
 WDC
 Pg A1

Date: 8/16/78
 Edition: morning

Title: US CHARGES
 Scientology Conspiracy

Character:

or

Classification:

Submitting Office:

47-11947-66

ALL INFORMATION CONTAINED
 HEREIN IS UNCLASSIFIED

DATE 1/7/85 BY SP2TAP/ldd

U.S. Charges Scientology Conspiracy

11 Church Agents Accused of Spying, Bugging and Theft

By Timothy S. Robinson
Washington Post Staff Writer

Eleven high officials and agents of the Church of Scientology, including the wife of founder L. Ron Hubbard, were charged here yesterday in an allegedly widespread conspiracy to plant spies in government agencies, break into government offices, steal official documents and bug government meetings.

Much of the evidence outlined against the church's officials in the 28-count criminal indictment appears to be based on the church's own internal memorandums and other documents. The memorandums directed church operatives to "use any method" in its battle with the government.

Church spies were used, according to the indictment, to find out about Scientology's tax-exempt status, rummage through government files to get information on the church and on persons or groups it perceived to be its "enemies." They were also used as an "early warning system" to protect Hubbard from government scrutiny, the indictment alleged.

Assistant U.S. Attorney Raymond Banoun asked that arrest warrants be issued immediately for the church's Worldwide Guardian, Jane Kember, and her chief aide, Morris (Mo) Budlong, in England, and said extradition proceedings against them would begin soon.

The other indicted church members, including Commodore Staff Guardian Mary Sue Hubbard, the wife of the founder, are scheduled to appear in federal court here at 1 p.m. Thursday. Banoun said he had been assured by attorneys for those church members that they would appear as scheduled.

A spokesman for the church, which is described in its literature as an "applied religious philosophy which believes that man is a spiritual being and is basically good," said the indictment is the latest episode in nearly 30 years of harassment against the church by government agencies.

"... If justice is done our members will be exonerated as any have been who have fought for religious freedom against government oppression throughout history," said the church's Deputy U.S. Guardian Henning Heldt, who was among those indicted yesterday.

The indictment charges that the church's "guardian office" included a bureau that "was assigned the responsibility for the conduct of covert operations," and that all of those charged with crimes were members or officials of that bureau.

The church said, however, that the guardian office is the "social reform arm of the church." Church attorney Phillip J. Hirschkop described the indictments as part of a "bureaucratic vendetta against Scientology" and said "any actions attributable to

See SCIENTOLOGY, A4, Col. 2

Memos, documents reveal a glimpse of the Church of Scientology. Page A4.

11 Scientologists Charged With Plot to Spy on Government

SCIENTOLOGY, From A1

church members is a direct result of government misconduct."

The 42-page indictment, one of the longest returned by a grand jury here in recent memory, climaxes a sometimes bizarre investigation that began when two Scientology operatives were confronted by FBI agents in June 1976 in the federal courthouse here after employees became suspicious of their regular nighttime presence.

The two men, who had entered the building by using allegedly forged Internal Revenue Service passes, were allowed to leave. Unknown to the agents at the time, the two were part of the alleged undercover Scientology operation and had been assigned to the courthouse to enter offices there

and copy documents, according to the indictment.

The two men then fled to California and with Scientology officials concocted a cover story to explain their presence in the courthouse, according to the indictment. One of them, Gerald Bennett Wolfe, returned to the courthouse here a year later and pleaded guilty to using fake IRS credentials. He was placed on probation.

The other alleged courthouse intruder, Michael Meisner, had been hidden by the church in Los Angeles for more than a year, having had his appearance changed and using a false name, according to the indictment. When he threatened to return to Washington against the church's will, he was held under guard and his "bodyguard crew" was told to "gag, handcuff" him if necessary, the indictment continued.

Meisner escaped from his guards in June 1977 and came to Washington, where he agreed to plead guilty to a five-year felony. He is the government's main informant against the church, and is being held under tight security.

When he came to Washington, Meisner outlined the alleged Scientology infiltration plot in great detail to federal agents and they obtained a search warrant for the church's headquarters in Los Angeles and Washington. Those warrants were executed on July 8, 1977, and resulted in a massive seizure of church documents that reportedly outlined a campaign of harassment and infiltration directed against numerous individual critics of the church as well as against government officials and agents.

According to the indictment returned yesterday, the alleged criminal conspiracy by the church began on Nov. 21, 1973, when Kember directed Heldt and his staff to obtain all Interpol (the international police organization) documents concerning Scientology and Hubbard.

Meisner was brought into the plot in mid-1974 when he was told by a superior, Cindy Raymond, that he was to help her place a "loyal Scientology agent" as an IRS employee in the District of Columbia, the indictment stated. Raymond, identified as the national secretary of the church's U.S. information bureau, was among those charged yesterday.

Kember issued another order, known in church terminology as Guardian Program Order 1361, in October 1974, directing the infiltration of the tax division of the Justice Department, according to the indictment.

Two of those who received that order, Deputy Guardian-Information U.S. Richard Weigand and Deputy-Deputy Guardian U.S. Duke Snider, also were charged in yesterday's criminal conspiracy.

Within days of that order, according

to the indictment, three Scientology agents planted an electronic listening device or "bug" in an IRS conference room here and "recorded an IRS meeting concerning Scientology's application for tax-exempt status and related matters." Less than 18 days later, Wolfe was employed as a clerk-typist at the IRS.

One of the agents who allegedly planted the bug, Mitchell Herman (also known as Mike Cooper), also was charged yesterday. At the time of the alleged offense, his title with the church was Branch I director of the Guardian's office, D.C.

Once Wolfe was in place at IRS, the indictment charged, he began stealing IRS documents that would then be flown out to the church's top officials in the Los Angeles area.

Among the IRS offices from which Wolfe stole documents were the chief counsel's office, that of an assistant IRS commissioner and other lawyers, according to the charges.

In May 1975, Wolfe also turned his attention to the tax division of Justice and stole documents from the offices of three attorneys there as well, the indictment charged.

Mary Sue Hubbard then told Kember and Heldt on May 27, 1975, to "use any method at our disposal to win the battle and gain our nonprofit (tax) status," according to the charges. Gregory Willardson, then the Church's Information Bureau Branch I director in the United States, soon wrote a letter to Meisner asking him to prepare a plan to get further IRS documents, the indictment stated. Willardson also was charged yesterday.

Six months later, an order known as the "Early Warning System" was issued by the church hierarchy, and it was "designed to protect the 'personal security' of" L. Ron Hubbard, the indictment stated.

"The order called for the infiltration of government agencies which had power to subpoena or bring suits against Hubbard or which would possess advance warning of such subpoenas or suits," the indictment continued.

The indictment said that as the plot continued:

- A Scientologist, Sharon Thomas, was placed in a job at the Justice Department as a secretary and stole documents from an attorney's office there.

- Guardian's office officials met in Los Angeles to discuss the burglaries, the infiltrations, and documents obtained by Scientologists.

- Meisner and Wolfe forged IRS credentials and used them to break into the offices of Assistant U.S. Attorney Nathan Dodell at the U.S. Courthouse here.

- Meisner and Wolfe broke into the offices of Associate Deputy Attorney General Togo G. West Jr. and Special

Assistant to the Assistant Attorney General for Administration John F. Shaw and stole documents from both places.

- Even after charges were filed against Wolfe and Meisner in connection with the alleged illegal use of IRS credentials, the church tried to implement what it called "Project Troy." That project reportedly called for the installation of a permanent "bug" in the IRS chief counsel's office, and was approved by Heldt on Dec. 20, 1976.

- In May 1977, the church again called for the infiltration of the U.S. Attorney's Office in Washington "for the purpose of obtaining information

about any potential legal action against L. Ron Hubbard."

- All of the defendants except Wolfe and Thomas are charged with one count of conspiracy to steal government documents, burglarize government offices, intercept oral communications and forge government passes; 10 counts of theft of government property, one count of intercepting oral communications; 10 counts of burglary, and one count of conspiracy to obstruct justice, to obstruct an investigation, to harbor a fugitive, and to make false declarations before a grand jury.

X Airtel

10/2/78

TO: SAC, NEW YORK (174-1804)

FROM: SAC, WFO (174-739)

[REDACTED]
BOMB THREATS
(OO:NY)

MARY SUE HUBBARD
ET AL
SITOL
(OO:WFO)

Re NYairtel to the Bureau dated 9/21/78.

Enclosed for New York are the original and one copy
of an FD-302 regarding interview of [REDACTED] 9/27/78.

For information of New York the individual identified
as [REDACTED] (ph.). In WFO's
interview of [REDACTED] in March of 1978, it was determined
that [REDACTED] is probably in Los Angeles.

- 2 - New York
(1-47-11947) (Encl 1)
- 2 - WFO
(1-47-10713)

RST:geg
(4)

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 1/7/85 BY SP2 Tap/dp

47-11947-78

SEARCHED	INDEXED
OCT 12 1978	
FBI-NEW YORK	
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10/26/78

TO: DIRECTOR, FBI (47-56689)

FROM: SAC, WFO (47-10713) (P)

MARY SUE HUBBARD;

[REDACTED] FUGITIVE;
- FUGITIVE;

ET AL
SITOL
(OO:WFO)

[REDACTED]
BOMB THREAT
(OO:NY)

b6
b7C

ReNYairtel to the Bureau, 10/4/78.

On 10/15/78, [REDACTED] Space Management, Internal Revenue Service (IRS), 1111 Constitution Avenue, N.W., Washington, D. C. (WDC), advised Special Agent (SA) [REDACTED] that IRS has no current employee named [REDACTED]

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On 10/23/78, [REDACTED] advised SA [REDACTED] that the individual referred to in Washington Field Office (WFO) report, 9/14/78, on page 302, actually worked for a committee on Capitol Hill and was not the individual known to [REDACTED]

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED

DATE 1/3/85 BY sp2apl/h

47-11117-8

SEARCHED	INDEXED
SERIALIZED	FILED
OCT 30 1978	
YORK	

[REDACTED]

2 - Bureau (1 - 174-3711)
2 - New York (1 - 174-1804)
2 - (1 - 47-11947)
2 - WFO (1 - 174-739)

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